



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0004

June 24, 2009

FEDEX

Key Bank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
Cleveland, Ohio 44144-2338

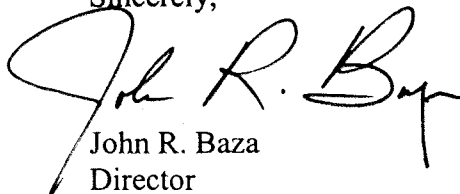
Subject: Presentation of Site Draft - Non-Renewal of Letter of Credit # _____, Star Stone Quarries, Peoa Blonde Quarry, M0430012, Summit County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 18, 2009, regarding non-renewal of Letter of Credit # _____ the amount of \$54,900.00. The mine operator, Star Stone Quarries, was advised that a replacement surety must be provided by May 21, 2009. Because replacement surety has not been provided as of today's date, the Division is submitting the attached sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$54,900.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Peoa Blonde Quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

Please advise me in writing if this procedure is not acceptable. If you have any questions, please feel free to call Paul Baker at (801) 538-5261. Thank you.

Sincerely,


John R. Baza
Director

DD:lah:pb

Enclosure Letter dated 3/18/09 and Sight Draft

Cc: opie_abeyta@blm.gov larry_garahana@blm.gov stephen_allen@blm.gov

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EXHIBIT A
SIGHT DRAFT

Date: June 24, 2009

USD\$ 54,900.00

At sight, pay to the order of:

Utah Division of Oil, Gas and Mining

the sum of: Fifty Four Thousand Nine Hundred United States Dollars

Drawn under the KeyBank National Association, Cleveland, Ohio Irrevocable Standby Letter of Credit no. , dated June 22, 2006

To: KeyBank National Association
4910 Tiedeman Road
Cleveland, Ohio, 44144 USA

Utah Division of Oil, Gas, and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, UT 84114-5801


(Authorized signature)

John R. Baza
(Name)

Please wire draw proceeds per the following instructions:

TO:

ABA or ROUTING #:
ATTN:

REFERENCE:
CREDIT ACCOUNT:

KeyBank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
4910 Tiedeman Road
Cleveland, Ohio 44144-2338



March 18, 2009

UTAH DIVISION OF OIL, GAS AND
MINING
1594 WEST NORTH TEMPLE, SUITE 1210
BOX 145801
SALT LAKE CITY, UT 84114-5801

***** NOTICE OF NON-RENEWAL *****

RE: Standby Letter of Credit Number: _____
Origination Date: 6/30/2006
Applicant: STAR STONE QUARRIES, INC.

The above referenced letter of credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the letter of credit terms.

We hereby notify you that we elect not to extend this credit for any additional period and therefore, this credit will expire in full with our close of business on 6/30/2009.


Authorized Signature

CC: STAR STONE QUARRIES, INC.
4040 SOUTH 300 WEST
SALT LAKE CITY, UT 84107

RECEIVED

MAR 19 2009

DIV. OF OIL, GAS & MINING